

And in the incipient and successive stages of spreading nervousness or panic the buying and selling prices quoted for stocks generally will more and more widely diverge. The jobber in these circumstances seeks to protect himself by the range of his quotation.

Suppose that he names 70-74. Assuming the existence of adverse views and disquieting conditions attaching in the market to the stock in question, let us consider the position and prospects of the jobber were he to reduce his quotation from 70-74 to 71-73. If he purchased at 71 instead of 70 he would obviously stand a heavier chance of sustaining a loss when he endeavoured for the purpose of balancing his account to sell what he had bought at a profit to another jobber or broker; for example, if he could only sell at 70J he would by having quoted 70 realise a profit of f per cent, while if he had increased the price to 71 he would lose 1 per cent. If, again, he sold to the broker at 74 in place of 73 his prospect of a profitable conclusion to the transaction is increased: he possesses a greater number of chances in his favour; for if he can subsequently purchase what he has sold at 73J only, in the one case (selling at 74) he obtains a profit of f per cent, while if he had decreased the selling price to 73 a loss of J per cent would be incurred. And, as has already been remarked, the difference between any particular jobber's buying and selling price, however wide, cannot transgress the real current appreciation in the market of the value of the security, since any quotation, if illegitimately divergent, involves the instant redress produced by the competition of other jobbers.

The reader, no doubt, has often been perplexed by the quasi-metaphorical language adopted in the money articles of newspapers, but an instance may now be cited where the phrase is literally accurate. When alarming political or financial news is received from abroad, which acts adversely upon securities, the dealers are stated to "depress" the prices of foreign stocks and of home stocks which are likely to be included within the

range of the influence which the news exerts. The statement is precisely correct. The jobbers make the current market price of the securities in which they deal; they fix the prices at which they will buy and sell; and if, for example, in the